

**HOUSE . . . . . No. 2694**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Thomas A. Golden, Jr.*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to aggregated gas power.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>
<i>Paul Brodeur</i>	<i>32nd Middlesex</i>
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>

**HOUSE . . . . . No. 2694**

By Mr. Golden of Lowell, a petition (accompanied by bill, House, No. 2694) of Thomas A. Golden, Jr., Paul Brodeur and Colleen M. Garry relative to aggregated gas power. Telecommunications, Utilities and Energy.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninetieth General Court  
(2017-2018)**

An Act relative to aggregated gas power.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 134 of chapter 164 of the General Laws, as appearing in the 2014  
2 Official Edition, is hereby amended by striking out subsection (a) and subsection (b) in their  
3 entirety and inserting therein the following subsections:-

4 (a) Any municipality or any group of municipalities acting together within the  
5 commonwealth may aggregate the electrical load of interested electricity consumers or the  
6 natural gas load of interested gas consumers within its boundaries; provided, however, that such  
7 municipality or group of municipalities shall not aggregate electrical load or natural gas load if  
8 such are served by an existing municipal lighting plant or an existing municipal gas plant. Such  
9 municipality or group of municipalities may group retail electricity customers to solicit bids,  
10 broker, and contract for electric power and energy services for such customers and may group  
11 retail gas customers to solicit bids, broker, and contract for the supply of natural gas for such  
12 customers. Such municipality or group of municipalities may enter into agreements for services

13 to facilitate the sale and purchase of electric energy and other related services and agreements for  
14 services to facilitate the sale and purchase of natural gas. Such service agreements may be  
15 entered into by a single city, town, county, or by a group of cities, towns, or counties.

16 A municipality or group of municipalities which aggregates its electrical load or natural  
17 gas load and operates pursuant to the provisions of this section shall not be considered a utility  
18 engaging in the wholesale purchase and resale of electric power or natural gas. Providing electric  
19 power or energy services to aggregated electric customers or natural gas supply to aggregated  
20 gas customers within a municipality or group of municipalities shall not be considered a  
21 wholesale utility transaction. The provision of aggregated electric power and energy services as  
22 authorized by this section shall be regulated by any applicable laws or regulations which govern  
23 aggregated electric power and energy services in competitive markets. The provision of  
24 aggregated natural gas supply as authorized by this section shall be regulated by any applicable  
25 laws or regulations that govern aggregated natural gas supply in competitive markets.

26 A town may initiate a process to aggregate electrical load or natural gas load upon  
27 authorization by a majority vote of town meeting or town council. A city may initiate a process  
28 to authorize aggregation by a majority vote of the city council, with the approval of the mayor, or  
29 the city manager in a Plan D or Plan E city. Two or more municipalities may, as a group, initiate  
30 a process jointly to authorize aggregation by a majority vote of each particular municipality as  
31 herein required.

32 Upon an affirmative vote to initiate said process, a municipality or group of  
33 municipalities establishing an electric or gas load aggregation pursuant to this section shall, in  
34 consultation with the department of energy resources, pursuant to section 6 of chapter 25A,

35 develop a plan, for review by its citizens, detailing the process and consequences of aggregation.  
36 Any municipal load aggregation plan established pursuant to this section shall provide for  
37 universal access, reliability, and equitable treatment of all classes of customers and shall meet  
38 any requirements established by law or the department of public utilities concerning aggregated  
39 electric or gas load or electric energy service. Said plan shall be filed with the department of  
40 public utilities, for its final review and approval, and shall include, without limitation, an  
41 organizational structure of the program, its operations, and its funding; rate setting and other  
42 costs to participants; the methods for entering and terminating agreements with other entities; the  
43 rights and responsibilities of program participants; and termination of the program. Prior to its  
44 decision, the department of public utilities shall conduct a public hearing.

45         Participation by any retail customer in a municipal or group aggregation program shall be  
46 voluntary. Within 30 days of the date the aggregated entity is fully operational, such retail  
47 customers shall be transferred to the aggregated entity according to an opt-out provision herein.  
48 Following adoption of aggregation through the votes specified above, such program shall allow  
49 any retail customer to opt-out and choose any supplier or provider such retail customer wishes.  
50 Once enrolled in the aggregated entity, any retail customer choosing to opt-out within 180 days  
51 shall do so without penalty and shall be entitled to receive their electricity supply through the  
52 local electric utility's basic service or their gas supply through the local gas utility's default  
53 service, as if he was originally enrolled therein. Nothing in this section shall be construed as  
54 authorizing any city or town or any municipal electric or gas load aggregator to restrict the  
55 ability of retail customers to obtain or receive service from any authorized provider thereof.

56         It shall be the duty of the aggregated entity to fully inform participating retail customers  
57 in advance of automatic enrollment that they are to be automatically enrolled and that they have

58 the right to opt-out of the aggregated entity without penalty. In addition, such disclosure shall  
59 prominently state all charges to be made and shall include full disclosure of the electric basic  
60 service rate and gas default service rate, how to access it, and the fact that it is available to them  
61 without penalty. The department of energy resources shall furnish, without charge, to any citizen  
62 a list of all other supply options available to them in a meaningful format that shall enable  
63 comparison of price and product.

64 (b) A municipality or group of municipalities establishing an electric load aggregation  
65 program pursuant to subsection (a) may, by a vote of its town meeting or legislative body,  
66 whichever is applicable, adopt an electrical energy plan which shall define the manner in which  
67 the municipality or municipalities may implement electric demand side management programs  
68 and renewable energy programs that are consistent with any state energy conservation goals  
69 developed pursuant to chapter 25A or chapter 164. After adoption of the electrical energy plan  
70 by such town meeting or other legislative body, the city or town clerk shall submit the plan to the  
71 department of public utilities to certify that it is consistent with any such state energy electrical  
72 conservation goals. If the plan is certified by the department of public utilities, the municipality  
73 or group of municipalities may apply to the Massachusetts clean energy technology center for  
74 monies from the Massachusetts Renewable Energy Trust Fund, established pursuant to section 9  
75 of chapter 23J, and receive, and if approved, expend moneys from the electric demand side  
76 management system benefit charges or line charges in an amount not to exceed that contributed  
77 by electric retail customers within said municipality or group municipalities. This will not  
78 prevent said municipality or municipalities from applying to the Massachusetts clean energy  
79 technology center for additional funds. If the department of public utilities determines that the  
80 electrical energy plan is not consistent with any such state-wide goals, it shall inform the

81 municipality or group of municipalities within six months by written notice the reasons why it is  
82 not consistent with any such state-wide goals. The municipality or group of municipalities may  
83 re-apply at anytime with an amended version of the electrical energy plan.

84         The municipality or group of municipalities shall not be prohibited from proposing for  
85 certification an electrical energy plan which is more specific, detailed, or comprehensive or  
86 which covers additional subject areas than any such state-wide conservation goals. This  
87 subsection shall not prohibit a municipality or group of municipalities from considering,  
88 adopting, enforcing, or in any other way administering an electrical energy plan which does not  
89 comply with any such state-wide conservation goals so long as it does not violate the laws of the  
90 commonwealth.

91         The municipality or group of municipalities shall, within two years of approval of its  
92 electrical energy plan or such further time as the department of public utilities may allow,  
93 provide written notice to the department of public utilities that its electrical energy plan is  
94 implemented. The department of public utilities may revoke certification of the electrical energy  
95 plan if the municipality or group of municipalities fails to substantially implement such plan or if  
96 it is determined by independent audit that the funds were misspent within the time allowed under  
97 this subsection. The department of public utilities shall promulgate regulations consistent with  
98 subsection (a) and subsection (b), allowing sufficient time for a local gas company to plan for  
99 and implement billing systems that can accommodate the requirements of this section.

100         SECTION 2. Section 1D of Chapter 164, as appearing in the 2014 Official Edition, is  
101 hereby amended by inserting after the words “as approved by the department” in line 57 the  
102 following words:

103           For natural gas suppliers who have chosen the complete billing method, the local gas  
104 company shall make timely payments to such suppliers in accordance with this paragraph. The  
105 gas company shall: (a) bill all of the natural gas supplier's customers in a service class according  
106 to complete billing; (b) pay such suppliers the full amounts due from customers for natural gas  
107 supply in a time period consistent with the average payment period of the participating class of  
108 customer, less a percentage of such amounts that reflects the average of the uncollectible bills for  
109 the participating customer classes of the local gas company and other reasonable development,  
110 operating or carrying costs incurred, as approved by the department of public utilities. The  
111 department of public utilities shall promulgate regulations consistent with this section, allowing  
112 sufficient time for a local gas company to plan for and implement billing systems that can  
113 accommodate the requirements of this section.